



Thursday, March 08, 2007

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**Public Hearings and Possible Actions**  
**RECOMMENDATION FOR COUNCIL ACTION**

**ITEM No 49**

**Subject** Conduct a public hearing and approve an ordinance adding an Industrial Rider to the Large Primary Service - Special Contract Riders I & II in the Electric Rate Schedule in Exhibit A of Ordinance No 20060911-004

**Additional Backup  
 Material**

(click to open)

- ordinance
- Fiscal Note

**For More Information** (Michael McCluskey, Sr Vice President for Wholesale and Retail Markets, 322-6295, Bob Kahn, Deputy General Manager, 322-6572

**Boards and Commission Action** Recommended by the Electric Utility Commission

The proposed addition of an Industrial Rider to the Large Primary Service Special Contract ("LPSSC") Riders I & II will affect those LPSSC customers large enough to reach a billing demand of 25,000 kW for two out of the preceding six months and who maintain an average load factor of 85% or more. The Industrial Rider will lower the base energy and demand rates of qualifying customers by 2.5% from the otherwise applicable LPSSC base rates. Customers receiving service under the Industrial Rider will still be required to remain Austin Energy customers for the term of their LPS special contracts. The LPSSC rate has been a useful tool in attracting and retaining large high-tech and industrial customers that are vital to the Austin economy, and the addition of the proposed Industrial Rider will strengthen this

**ORDINANCE NO.**

**AN ORDINANCE AMENDING ORDINANCE NO. 20050912-004 TO ADD THE  
LARGE PRIMARY SERVICE SPECIAL CONTRACT – INDUSTRIAL RIDER.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** Ordinance No 20050912-004 is amended to add the Electric Rate Schedule Large Primary Service Special Contract – Industrial Rider in Exhibit A as follows

CITY OF AUSTIN  
ELECTRIC RATE SCHEDULE  
LARGE PRIMARY SERVICE SPECIAL CONTRACT – INDUSTRIAL RIDER

Application

This rate applies to electric service to any customer that qualifies for service and has executed a contract under the Large Primary Service – Special Contract Rider I or II and thereafter has (1) reached a billing demand of at least 25,000 kilowatts during any two months within the previous six months, and (2) maintained an average load factor of at least 85% during the previous six months. Any action by the customer resulting in measurable reduction in peak demand or energy use may be taken into account by the City, in its sole discretion, when applying the demand and load factor requirements of this tariff. The City will also take into account up to 20 kilowatts of power generated by customer-owned, on-site renewable energy technology in accordance with the Distributed Generation from Renewable Sources Rider, when applying the demand requirement of this tariff.

The customer shall continue to receive service under the Large Primary Service – Special Contract Rider I or II tariff, as applicable, and comply with the terms of its Large Primary Service Special Contract, provided, that customer at its option shall receive the energy and billing demand rates specified by this Rider for accounts which meet criteria (1) and (2) above, so long as this Rider remains in effect.

The Rider TOU – Thermal Energy Storage may be attached to this rate.

Monthly Rate

Rate (E)

Winter  
Billing Months of

Summer  
Billing Months of



**PASSED AND APPROVED**

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\_\_\_\_\_, 2007

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\_\_\_\_\_  
Will Wynn  
Mayor

**APPROVED:** \_\_\_\_\_  
David Allan Smith  
City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A Gentry  
City Clerk

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Mayor

**APPROVED:** \_\_\_\_\_

David Allan Smith  
City Attorney

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Shirley A Gentry  
City Clerk

# FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION**  
**WHERE ON AGENDA**  
**DEPARTMENT**

March 8, 2007  
Ordinance  
Austin Energy Operating Fund

Conduct a public hearing and approve an ordinance adding an Industrial Rider to the Large Primary Service - Special Contract Riders I & II in the Electric Rate Schedule in Exhibit A of Ordinance No 20060911-004

## **Austin Energy Operating Budget** Projected Revenues

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Base Revenue	-				
	<u>(\$828,000)</u>	<u>(\$1,698,000)</u>	<u>(\$1,843,000)</u>	<u>(\$1,823,000)</u>	<u>(\$1,823,000)</u>
	(\$828,000)	(\$1,698,000)	(\$1,843,000)	(\$1,823,000)	(\$1,823,000)

### **Note**

This fiscal note assumes a Large Industrial Rate (LIR) as of December 2006 based 2005 actual and forecasted load. Revenue reduction due to revised rates for qualifying customers in forecast period.

Signature: Noreen Gleeson, Manager Planning & Budget, Austin Energy      Date: 02/27/2007